

To:

From:

Topic: Latest Version of the Systems Control Process and  
Process for Distribution and Feedback of Future Iterations

Date: 2 December 1987

*File OP  
New Comp  
System*

Attached is the latest thinking on the proposed systems control process. As you can see it is dated and numbered (#2). For historical purposes, the November 18, 1987 version will be considered document #1 and all subsequent iterations will be dated and numbered in ascending order.

As most of you know, we are tasked with reaching firm systems control requirements by 30 December 1987 so that we are prepared to develop and implement the system by the first of FY '89. Given less than a month to accomplish this, I will need to rely on you to read each iteration as issued and to provide me directly with any changes or comments you have. If you share copies of the process with others, please collect their feedback and share it with me.

To assist you in helping me, a cover letter will accompany any iteration from this point on that will summarize any changes made to previous versions and the thinking behind them.

Thank you for your continued cooperation.

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VERSION #2 Highlights

°This version is created to include only the full-time GS population.

°It is designed to replace the CSGA model.

°It advocates the allocation to money by Career-Sub Groups for the use of the WIMM model only.

°While the actual organizational budget and WIMM budgets will never be equal, the proper use of WIMM will ensure that the Agency does not exceed the SOC 1101 total it deems necessary to begin the fiscal year with.

°WIMM monies are derived from the Agency total 1101 SOC not from Directorate totals as done in version one.

°My approach this time is theoretical with no supporting numbers; if you like the ideas, I will give you numbers next time.

SYSTEMS CONTROL PROCESS

Number 2

2 December 1987

1. IN THE BEGINNING

OMB authorizes a dollar figure for the entire Agency Budget for a given Fiscal Year.

2. The Comptroller's Office then divides this Agency Budget total into two pots, one for personal services dollars and the other for programs.

3. Personal Services consists of Object Classes 11, 12, and 13 and includes funding to pay for items such as salaries, overtime, differentials, allowances, awards, and benefits.

4. Sub Object Class (SOC) 1101 represents monies for full-time salaries, promotions, within-grade increases, and quality step increases. Money is budgeted for and allocated to this SOC by office via the following algorithm:

$(F-T \text{ Permanent Positions (FTE)}) \times (\text{Average Constructed FY Mid-Year Salary})$

For FY '88, to compute the average constructed FY Mid-Year Salary you would multiply the 30 Sept 86 actual average salary from the 112 Report by .5 percent to construct the FY '87 Mid-Year Salary and then multiply that result by 1 percent to arrive at the FY '88 Mid-Year Salary. For this particular example, the salary also had to be adjusted an additional 3 percent to account for the 1 January 1987 comparability increase.

5. Given this algorithm, the 1101 Agency and Directorate totals are built from the top down by adding office figures. Adherence to this formula at the office level ensures that the Agency stays within the one percent growth factor established by OMB.

It is important to note that these budget figures do not provide funding for salary expenses associated with some offices being over their position ceiling. In addition, money is not budgeted in the 1101 SOC for comparability increases. Instead, monies to cover these expenses must be transferred from program funds with the Comptroller's approval.

6. Steps 1-5 are tasks to be performed by the Comptroller's Office and are consistent with the movement to centralize budgeting for personal services dollars. The Office of Personnel can then prepare a comparison of funds available to the Agency for permanent salary increases for the upcoming fiscal year versus past history for presentation to the EXCOM. If the EXCOM decides the total produced by the Agency budget process for salary increases is too low then it must identify non-personal services dollars in the amount deemed necessary to have reprogrammed prior to the first of the fiscal year.

In addition, any office that enters the fiscal year over ceiling, will be required to reprogram non-personal services funds in an amount sufficient to cover the over ceiling base salaries of its extra personnel.

7. Once the Agency 1101 total is finalized given the budget process and any EXCOM and over ceiling adjustments, the money must be allocated. It is proposed that the real 1101 dollars continue to be allocated by organization as done now which is basically in the amounts budgeted for.

8. However, for control purposes it is proposed that the GS portion of the 1101 Agency total be allocated by Career-Sub Group on an annual dollar basis. This can be done as follows:

- a. The GS portion of the 1101 Agency total can be computed by applying the following algorithm:

$$\frac{\text{Agency GS positions} \times \text{Constructed Ave GS FY Mid-Year Salary}}{\text{Agency positions} \times \text{Constructed Ave Agency FY Mid-Year Salary}} \times \text{Agency 1101 Total}$$

We will explore whether simply multiplying the number of GS positions times the constructed Ave GS FY Mid-Year Salary will produce the same or a more accurate result for this purpose.

- b. The GS portion of the 1101 Agency budget can then be allocated to Career-Sub Groups by applying the following equation for each Career-Sub Group:

$$\frac{\text{C-S Gr GS positions} \times \text{C-S Gr Constructed Ave GS Midyear Sal}}{\text{Sum of all (C-S Gr GS positions} \times \text{C-S Gr Const Ave GS Midyear Sal)}} \times \text{Agency GS 1101 Total}$$

c. The results of the above calculations produce 1101 nit figures for each sub career group. If an office is over ceiling at the beginning of the year, the money reprogrammed to cover these additional base salaries would also need to be added to this target figure.

d. The allocation scenario described above will be prepared for review by the Deputy Directors who will then have the ability to refine the target amounts to accommodate Directorate priorities.

-3-

9. Once a Career-Sub Group receives its GS 1101 allotment the distribution of this annualized money to people must be carefully planned. This is even more critical in times of overall budget constraints. The analytical tool envisioned to assist a Career-Sub Group Head is the What If Model for Managers or WIMM.

An outline of WIMM is as follows:

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Primary Users: Office-level Personnel Officers and/or B&F Officers

Purpose: To assist Career-Sub Group Heads with Salary Distribution Decisions

Timeliness: Data Would Be Updated Monthly on the Delta Datas once a month at a date when the 112 report info and the most recent payroll data is accessible.

Data Requirements: °Beginning Year 1101 GS hit figures  
°Annualized Cost of Actions Taken During Prior Period  
°Full-Time Position Ceiling  
°Distribution of Position Grades  
°Sub Career Group Data by Employee for Employee Grade, Salary, and LEI Date

Format: Delta Data Screen is 25 lines by 80 characters

Capabilities: WIMM will allow user to try different what if scenarios with QSI's, Promotions, and EOD's at various grade levels to see if available monies will cover the costs associated with the proposals. In addition, projected attrition and EOD rates can be input to assess their influence of monies available for permanent salary increases.

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10. Lastly, since WIMM runs on an annual dollar basis so as to be conservative, actual dollars will likely be left over on an Agency level when all Career-Sub Group WIMM's say no available funds are left. The Comptroller's Office could quantify this discrepancy with one quarter left in the year, assess any expected non-1101 personal services shortcomings and make a recommendation to the EXCOM for the best use of remaining funds.

11. An example of what WIMM could look like is on the following page.

-4-

## Screen One

Career-Sub Group F-T GS Permanent Salary Increase Planner

As of 1 October 1987

For XYZ Career Sub GroupCurrent Annual Dollar Obligations

GS GRADE	POSITIONS	PEOPLE	DIFFERENCE	BASE SALARIES	WGI OBLIGATIONS
04					
05					
06					
07					
08					
09					
10					
11					
12					
13					
14					
15					
Totals					
1101 HIT YEAR AM					

## Screen two

AMOUNT AVAILABLE FOR EOD's, PROMO's, and QSI's: \$1,147,440

## What IF Projections:

GS	04	05	06	07	08	09	10	11	12	13	14	15
QSI's												
#												
%												
Costs												
PROMOS												
#												
%												
Costs												
EODS	Grade	Step	Cost									

Projected QSI Costs: \$ \_\_\_\_\_  
 Projected Promo Costs: \$ \_\_\_\_\_  
 Projected EOD Costs: \$ \_\_\_\_\_  
 Total Additions to Permanent Salary Costs: \$ \_\_\_\_\_  
 OVER UNDER FUNDS AVAILABLE \$ \_\_\_\_\_